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E.O. 12958: N/A

TAGS: BEXP ETRD KIPR CE MV

SUBJECT: BFIF FY08 PROPOSALS FOR SRI LANKA AND MALDIVES

REF: (A) STATE 159597  
(B) 07 COLOMBO 1403  
(C) 07 COLOMBO 1627

¶1. Post expresses its appreciation for continued BFIF support of commercial activities in Sri Lanka and Maldives. Post has witnessed considerable success from BFIF support for the "American Pavilion" at the annual Maldives trade show (ref B); the Ambassador and post's Econ/Commercial Section strongly encourage the Department to fund this request again in 2008. Following are post's two requests for 2008 BFIF funding.

¶2. Primary Request: MALDIVES: American Trade Pavilion:

(a) Justification: The American Pavilion at the Maldives Hotel and Trade Expo is a key contributor to expanding U.S. commercial interests in the Maldives. The Pavilion has recorded significant growth since its inception in 1999 with noteworthy results achieved by U.S. companies participating in this event. The show, which initially began as a catalog display, has developed into a full-fledged American Pavilion at the largest annual trade show in the Maldives. The American Pavilion is a major attraction at the trade show, garnering high levels of interest by government ministers and business visitors due to the diversity of products, technologies, and services displayed by U.S. companies, agents, and institutions. Prominent U.S. corporations such as GE Energy, GE Infrastructure & Appliances, Southwest Windpower, Bell, and Cessna were among the U.S. exhibitors in 2007.

As reported in ref B, the 2007 trade fair generated useful leads to participant companies, especially in the following categories: energy; food and beverage; commercial interiors; and finished textiles (canopies, cushions, sunshades). Additional opportunities have also been realized. For example, an interior design company carrying U.S. products established an office in Male' to handle its increased business following the show, and an IT provider plans to organize a product launch due to the positive response received at the show. U.S. eggs and fruits, which are exported to Maldives as a result of previous shows, continue to expand their market share as the exporter reaches further contacts through regular participation in the American Pavilion. Maldivian government officials also showed strong interest in Lockheed Martin's multi-million dollar vessel tracking system. Representatives of Lockheed Martin made a follow-up visit to the Maldives in November to continue discussions in this respect. Finally, a renewable energy company that was introduced to the Maldives through previous participation in the American Pavilion raised government interest in expanding its wind power projects to Maldives. (Note: This company officially inaugurated its already-operating pilot wind power project on January 7; both President Gayoom and the Ambassador participated in the event, which we will report septel.)

Post considers the Maldives trade fair an important element of its economic and commercial outreach portfolio in Maldives, where the

USG currently had no permanent representation. The Ambassador's active participation at the trade fair in 2007 demonstrates the importance of this event to post's overall economic strategy with Maldives. The Ambassador's participation continues to be noted and appreciated by Maldivian government and business representatives, many of whom the Ambassador personally escorted through the Pavilion. The Ambassador also hosted a well-attended reception at the trade show; guests included numerous cabinet ministers, officials of government agencies, and private sector contacts.

Maldives presents opportunities for U.S. firms for a diverse range of products and technologies, with renewable energy, environment, information technology, communications, electronics, construction products, services, and food and beverage being particularly viable.

The tourism industry continues to fuel significant demand for imports. The lack of domestic agricultural production generates heavy demand for food and beverages. The planned construction of approximately 40 new resorts is an opportunity to further expand U.S. exports. Although the Maldives is a comparatively small market, there is wide acceptance of superior quality and hi-tech products among consumers and resort managers. The expansion of the existing international airport island near the capital to include new hotel, conference facilities, and other infrastructure brings new prospects for U.S. companies in technology, products, and services.

(b) Planning Milestones: The exhibition organizers have not yet finalized the dates of the 2008 show, but we expect it to be set for August or September. The show will be held in the main conference center in the capital, Male'. Promotional strategy, logistics and related issues will be coordinated with exhibitors, the Maldives Chamber of Commerce, GSO, PD and the exhibition organizer.

(c) Estimated Costs: \$15,000

(d) Post point of contact: Kami Witmer, Economic Officer; Adrian Mendis, Commercial Specialist. Tel: 94-11-2498500, Fax: 94-11-2437345, Email: witmerka@state.gov, mendisa@state.gov

(e) Post will solicit funds from other USG agencies such as FAS, FCS and Department divisions like PD and regional office of Science & Technology to fund components of the trade show related to those respective agencies

(f) Outcome/Success Criteria:

- Expansion of current exports to Maldives and increased visibility of U.S. products and technology.
- Forming partnerships and sales contracts between exhibitors and Maldivian firms.
- Reinforce the "Made in the USA" brand in all sectors with emphasis on food and beverage, technology and equipment for infrastructure projects.
- Increase in commercial inquiries from Maldivian businesses.
- Identify opportunities and initiate a significant U.S. infrastructure project.
- No of visitors attending the show
- No of contracts and sales achieved by exhibitors

(g) Follow-up strategy: Post will assist and coordinate with exhibitors to conclude contracts and sales. Close follow up on previous shows have helped establish strong relationships between US pavilion exhibitors and Maldivian businesses.

**¶3. Secondary Request: SRI LANKA: American Chamber of Commerce (AmCham) IPR Awareness Campaign**

(a) Justification: Although Sri Lanka has acceptable intellectual property rights (IPR) legislation, public awareness (including that of government officials) of IPR is low. Pirated goods are common, and consumers are often unaware of the dangers of buying fake auto parts, medicines, and computer software, among other items. The American Chamber has embarked on an outstanding IPR awareness campaign aiming to raise citizens' knowledge of the concerns surrounding IPR violations. Having completed the first two phases of the project -- very well-received print and radio ads -- AmCham is preparing to enter the television market for the third phase. To date the program has been entirely supported by donations from AmCham member companies and non-member U.S. companies with ties to

Sri Lanka. (Note: AmCham Sri Lanka is comprised primarily of Sri Lankan companies with commercial ties to the U.S.; the number of American companies -- defined as those with over 50% U.S. equity -- is low.) The campaign has also received wide-ranging support from the Sri Lankan National IPR office, industry, and other Chambers.

(b) Planning Milestones: The TV campaign, if current proposed funding is realized, is scheduled to run for three months on a popular local television station and will air in all three local languages (Sinhala, Tamil, and English). Based on the popularity of the print and radio ads, AmCham would like to increase the amount of time that the ads run on television. AmCham has approached the government to enquire about using state television (at low or no cost) to further publicize the anti-IPR message. They also hope to tie the ad campaign into further training for local officials, following on a magistrates' training that was completed in 2007. If proposed funding is not realized, BFIF funding would ensure that the TV campaign is aired. If separate funding is realized, BFIF funding for this campaign would allow the campaign to run its preferred time frame of six months.

(c) Estimated Cost: \$6000

(d) Post point of contact: Kami Witmer, Economic Officer; Adrian Mendis, Commercial Specialist. Tel: 94-11-2498500, Fax: 94-11-2437345, Email: witmerka@state.gov, mendisa@state.gov

(e) Anticipated Outcomes: Although the outcome of a campaign such as this is difficult to quantify, the following measures would help to evaluate the programs effectiveness:

- Increased general awareness by the public of intellectual property rights. This would be measured by on-the-spot interviews of local citizens, feedback from member companies, numbers of inquiries and registered complaints to local authorities, and numbers of court actions.

- Increased cooperation by government officials (outside the National IP Office) in addressing IPR violations and concerns in country.

(f) Follow-on Strategy: AmCham will continue to solicit funds and in-kind donations from other sources (member companies, the European Chamber, the Government of Sri Lanka, other chambers, and international industry associations) to fund additional portions of this campaign and to develop and provide follow-on IPR-awareness

activities, including training sessions for government officials and the business community.

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